

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: August 17-18, 2005

Reference No.: 2.5e.
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross A. Chittenden
Division Chief
Transportation Programming

Ref: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS
RESOLUTION FA-05-02**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve the following Resolution.

FINANCIAL RESOLUTION:

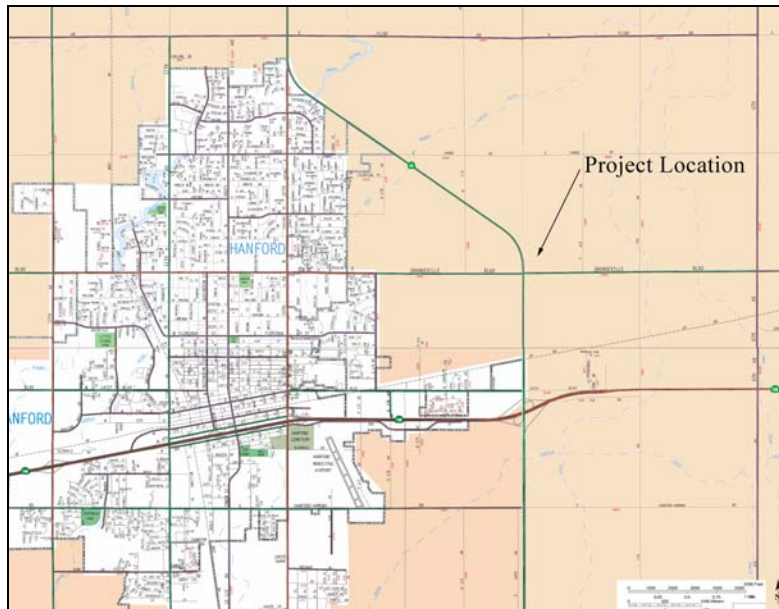
Resolved that \$26,646,000 be allocated from the Budget Act of 2005, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide additional funds for the projects listed below.

SUMMARY AND CONCLUSIONS:

This resolution allocates \$26,646,000 of additional State funds for the previously approved projects listed below:

| Project | Dist-Co-Rte | Original Vote/G11 Amount | Award Amount | Current Budget Amount | Current Allocation Revision | Revised Budget Amount | Total Increase Vote/Award |
|---------|-------------|--------------------------------|-----------------|-----------------------------|-----------------------------------|-----------------------------|---------------------------------|
| 1 | 6-Kin-43 | \$680,000 | - | \$680,000 | \$218,000 | \$898,000 | 32% V |
| 2 | 8-Sbd-138 | \$22,785,000 | - | \$22,785,000 | \$20,641,000 | \$43,426,000 | 90% V |
| 3 | 9-Mno-395 | \$3,063,000 | - | \$3,063,000 | \$1,837,000 | \$4,900,000 | 60% V |
| 4 | 11-Imp-86 | \$14,300,000 | - | \$14,300,000 | \$3,950,000 | \$18,250,000 | 28% V |

| Project # Allocation Amount Recipient County Dist-Co-Rte Postmile | Location Project Description Reason for Supplemental Funds | EA PPNO Budget Year Prgm Codes Program | State Federal Current Budget Amount | State Federal Additional Allocation | State Federal Revised Total Amount |
|--|--|---|---|--|---|
| 2.5e. Supplemental Funds for Previously Voted Projects | | | Resolution: FA-05-02 | | |
| 1 \$218,000 Kings 06N-Kin-43 19.18/19.64 | Near the City of Hanford at Grangeville Boulevard. Install Signal with Left Turn Phasing Card. Supplemental funds are needed to award the construction contract. | 455001 - 2004-05 302-0042 302-0890 2005-06 302-0042 302-0890 20.20.201.010 SHOPP | \$680,000 - - - \$680,000 | - - \$218,000 - \$218,000 | \$680,000 - \$218,000 - \$898,000 |



PROJECT DESCRIPTION

This safety project is on Route 43 in Kings County at Grangeville Boulevard. The scope of work for this project includes constructing left turn channelization, upgrade the intersection to STAA truck turning specifications, and install signals on Route 43 at Grangeville Boulevard.

FUNDING STATUS

The project was programmed in the 2004 State Highway Operation and Protection Program (SHOPP) Minor A for \$680,000 for construction in FY 2004-05. The project was allocated \$680,000 in May 2005. The project was advertised and bid results were opened in June 2005. An additional \$218,000 is needed to award this contract to the lone bidder. This request for supplemental funds results in an overall increase of 32% over the vote amount for this project.

REASONS FOR COST INCREASE

The contract bids were opened on June 21, 2005. Five bid packages were issued to prospective bidders, but only one bid was received on this project. The bid is 36% above the Engineer's Estimate. The Department has contacted two of the potential bidders to inquire why they did not submit a bid. They responded that they were busy with other work. Two additional contractors were contacted and have not responded. The lone bidder has been contacted and has agreed to extend his bid, pending approval from the Commission for supplemental funds.

The Department has performed a bid analysis to determine all significant differences between the Engineer's Estimate and the contract bids. Recent bid openings in King's County indicate five items continue to escalate. The items are Imported Borrow, Class 2 Aggregate Base, Asphalt Concrete, and Signal Lighting. Two of these items, Imported Borrow and Class 2 Aggregate Base, escalated depending on the location of the project. Although allowances were included in the Engineer's Estimate for consideration of some of these factors, the contractor's bid contained costs significantly higher than anticipated. Additional supplemental funds are needed in order to award this project.

FUNDING OPTIONS

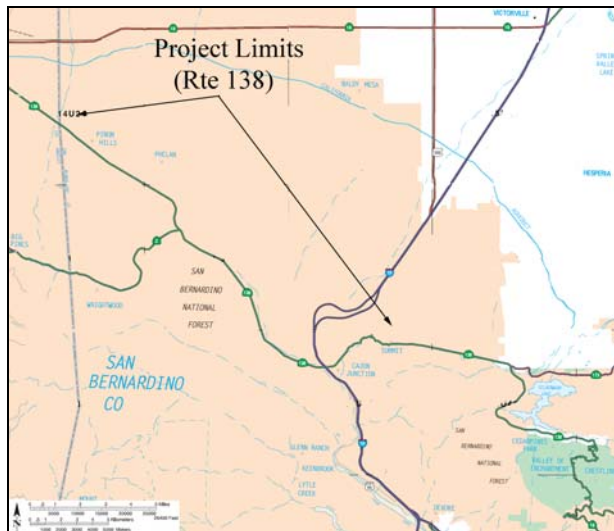
OPTION A: Approve this request, as presented above, for \$218,000 to allow this safety project to be awarded.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount. The project includes only the minimum scope of work to accomplish the purpose and need of this safety project. The Department considered this option and determined that reducing the scope of work on this project and executing another project to complete the deleted work later, would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION

The Department recommends that this request for \$218,000, as presented in Option A above, be approved to allow this project to be awarded.

| Project # Allocation Amount Recipient County Dist-Co-Rte Postmile | Location Project Description Reason for Supplemental Funds | EA PPNO Budget Year Prgm Codes Program | State Federal Current Budget Amount | State Federal Additional Allocation | State Federal Revised Total Amount |
|--|---|---|---|--|--|
| 2.5e. Supplemental Funds for Previously Voted Projects | | | Resolution: FA-05-02 | | |
| 2 \$20,641,000 San Bernardino 08S-SBd-138 0.0/14.2 | In Los Angeles and San Bernardino Counties on Route 138 near Pinon Hills, Pheland and Wrightwood from 0.2 kilometer west of San Bernardino County Line to 0.1km west of Cajon Mountain Underpass. Construct truck lanes and widen shoulders. Supplemental funds are needed to advertise the construction contract. | 4697V1 08-0239F 2004-05 302-0042 302-0890 2005-06 302-0042 302-0890 20.20.201.010 SHOPP 08-0239 2004-05 302-0042 302-0890 2005-06 302-0042 302-0890 20.20.201.120 SHOPP | \$1,551,000 \$13,960,000 - - \$835,000 \$6,439,000 - - \$22,785,000 | - - \$1,557,000 \$14,016,000 - \$581,000 \$4,487,000 \$20,641,000 | \$1,551,000 \$13,960,000 \$1,557,000 \$14,016,000 \$835,000 \$6,439,000 \$581,000 \$4,487,000 \$43,426,000 |



PROJECT DESCRIPTION

This project was combined from a safety project and a roadway rehabilitation project. The project is located in San Bernardino and Los Angeles counties on Route 138 near Pinon Hills, Pheland, and Wrightwood from west of San Bernardino County line to west of Cajon Mountain Underpass, and on Route 2 from 0.2 Km south of Route 138 to Route 138. The project will make the following improvements to Route 138: rehabilitate pavement with Asphalt Concrete overlay, construct truck climbing lanes with 1.2 meter median buffer; widen shoulder; correct horizontal and vertical curves; and drainage system improvements. The construction of the proposed improvements will improve safety, improve ride quality, reduce maintenance costs, and reduce delay within this segment of Route 138.

FUNDING STATUS

The project was combined from two projects that were programmed in the 2004 State Highway Operation and Protection Program (SHOPP) for construction in FY 2004-05. The projects are a safety improvement project (PPNO 0239F) and a roadway rehabilitation project (PPNO 0239). These SHOPP projects were allocated a total of \$22,785,000 in April 2005.

The combined project was advertised with bid results opened in June 2005. Two bids were received with the low bid being 153 percent above the Engineer's Estimate (EE). The Department rejected the bids. The project's item costs were re-evaluated using the latest cost information including the unit cost of the bids received on this project, and resulted in a need for an additional \$20,641,000 in order to advertise the construction contract. This request for supplemental funds results in an overall increase of 90% over the vote amount for this project.

REASON FOR INCREASE

The contract bids were opened on June 30, 2005. Seventeen bid packages were issued to prospective bidders but only two bids were received for this project. The low bid is 153% above the EE, and the other bid is 156% above the EE. The bids were subsequently rejected.

The Department has contacted the potential bidders to inquire why they did not submit a bid. Eleven stated that the reason why they did not submit bids on the contract is due to a specified lime treatment for the Asphalt Concrete. The contractors who submitted bids indicated that their higher bids were a reflection of the increase in the cost of trucking, oil, concrete and steel. They also stated that the original EE was low and that the stage construction was too restrictive and the work window too narrow to perform work more efficiently.

Based on the actual bid received, it is no longer reasonable to consider that the allotment for this project is sufficient. The new unit costs were derived using the current costs in the contract database, as well as bid results on similar projects. The scope of the project remained unchanged and the revised cost estimate, including state furnished material, supplemental work and five percent contingency, is \$43,426,000. Supplemental funds of \$20,641,000 are needed in order to allow the project to be re-advertised.

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for \$20,641,000 to allow this project to be advertised.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount. The project includes only the minimum scope of work to accomplish the purpose and need of this project. The Department has considered this option and determined that reducing the scope of work on this project and executing another project to complete the deleted work later, would result in greater costs and more disruption to the traveling public.

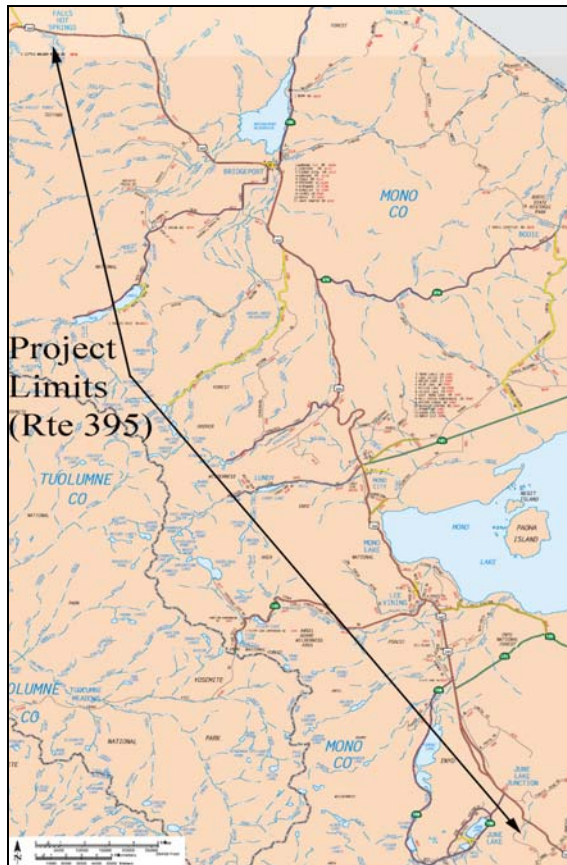
FUNDING OPTIONS (Con't)

OPTION C: Deny this request and direct the Department to rescind the project and reprogram this project in a future funding cycle of the SHOPP. The Department had considered this option, however, the Department could not fully assess the impact of the delay to the construction of the safety project.

RECOMMENDED OPTION

The Department recommends that this request for \$20,641,000, as presented in Option A above, be approved to allow this project to be re-advertised.

| Project # Allocation Amount Recipient County Dist-Co-Rte Postmile | Location Project Description Reason for Supplemental Funds | EA PPNO Budget Year Prgm Codes Program | State Federal Current Budget Amount | State Federal Additional Allocation | State Federal Revised Total Amount |
|--|---|---|--|--|---|
| 2.5e. Supplemental Funds for Previously Voted Projects | | | Resolution: FA-05-02 | | |
| 3 \$1,837,000 Mono 09N-Mno-395 36.1/93.1 | In Mono County near Lee Vining, from south of Bald Mountain Road to Little Walker Road. Pavement preservation Supplemental funds are needed to award the construction contract. | 301801 09-0414 2004-05 302-0042 302-0890 2005-06 302-0042 302-0890 20.20.201.121 SHOPP | \$352,000 \$2,711,000 - - | - - \$211,000 \$1,626,000 | \$352,000 \$2,711,000 \$211,000 \$1,626,000 \$4,900,000 |



PROJECT DESCRIPTION

This Preventive Capital Preventive Maintenance (PCAPM) project is located in Mono County near Lee Vining. The scope of work for this project includes placing a thin lift, gap-graded, rubberized asphalt concrete overlay and constructing grinder dig-outs. The pavement at these locations is showing signs of minor pavement distress such as loss of surface fines, fatigue and reflective cracking, rutting, and oxidation.

BACKGROUND

Route 395 is a principal arterial and part of the National Highway System and Interregional Road System, in addition to being a Terminal Access route for Surface Transportation Assistance Act (STAA) trucks. Route 395 is also a major truck route for hauling various materials north and south between Canada, Washington, Oregon, California and Mexico. This four-lane expressway section of Route 395 connects Southern California with the Reno and Lake Tahoe areas.

FUNDING STATUS

The project was programmed in the 2004 State Highway Operation and Protection Program (SHOPP) for \$2,930,000 for construction in FY 2004-05. The project was allocated \$3,063,000 in April 2005. The difference between the allocation and programmed amount is due primarily to additional grinder dig-outs due to pavement deterioration that has occurred since the project was first delivered in July 2003. The project was advertised and bid results were opened in June 2005. An additional \$1,837,000 is needed to award this contract to the lone bidder. This request for supplemental funds results in an overall increase of 60 percent over the vote amount of the project.

REASON FOR INCREASE

The contract bids were opened on June 21, 2005. Three bid packages were issued to prospective bidders but only one bid was received for this project. The bid is 61 percent above the Engineer's Estimate (EE). The contractor has been contacted and has agreed to extend his bid, pending approval from the Commission for the supplemental funds.

In comparing the bid items with the EE, most of the cost increases are associated with asphalt concrete item. According to the contractor, escalation in the cost of asphalt concrete, fuel costs, limited availability of trucking, haul distance and difficulties with rubberized asphalt concrete, and remoteness of location are all factored in the item costs. Although allowances were included in the EE for consideration of some of these factors, the contractor's bid contained costs significantly higher than anticipated. Additional supplemental funds are needed in order to award this project.

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for \$1,837,000 to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount. The Department considered this option and determined that reducing the scope of work on this project and executing another project to complete the deleted work later, would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION

The Department recommends that this request for \$1,837,000, as presented in Option A above, be approved to allow this project to be awarded.

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|--|---|---|---|--|---|
| 2.5e. Supplemental Funds for Previously Voted Projects | | | Resolution: FA-05-02 | | |
| 4 \$3,950,000 Imperial 11S-Imp-86 43.3/67.8 | In Imperial County from San Felipe Creek Bridge to the Riverside County Line. Rehabilitate roadway. Supplemental funds are needed to award the construction contract. | 235501 11-0535 2004-05 302-0042 302-0890 2005-06 302-0042 302-0890 20.20.201.120 SHOPP | \$1,640,000 \$12,660,000 - - | - \$453,000 \$3,497,000 \$3,950,000 | \$1,640,000 \$12,660,000 \$453,000 \$3,497,000 \$18,250,000 |



PROJECT DESCRIPTION

This roadway rehabilitation project on Route 86 is located in Imperial County from San Felipe Creek Bridge to the Riverside County line. Route 86 is a principal arterial and part of the National Highway System and Interregional Road System. It is also a major truck route for hauling various materials north and south between California and Mexico. Currently this section of roadway is a four-lane conventional expressway. The project scope include: (1) Remove and replace asphalt concrete in the northbound direction SR 86 and also partial removal of AC in the southbound direction; (2) Grinding and concrete overlay of slabs to Bridges Zenas Ditch, Biloxi Ditch, Iberia Ditch, and Amerosa Ditch; (3) Replace guard rail at bridge approaches; (4) shoulder widening of northbound lanes; (5) Repairs to longitudinal and transverse joints in the southbound direction.

FUNDING STATUS

The project was programmed in the 2004 State Highway Operation and Protection Program (SHOPP) for \$12,360,000 for construction in FY 2004-05. The project was allocated \$14,300,000 in April 2005, with costs increase due to the addition of guardrails to the scope of the project. The project was advertised and bid results were opened in July 2005. An additional \$3,950,000 is needed to award this contract to the low bidder.

REASON FOR INCREASE

The contract bids were opened on July 7, 2005. Only two bids were received for this project. The low bid is 28 percent above the Engineer's Estimate (EE) while the other bid is 62 percent above the EE. The low bidder has been contacted and has agreed to extend his bid, pending approval from the Commission for the supplemental funds.

In comparing the bid items with the EE, most of the cost increases are associated with rubberized asphalt concrete, excavation, new guardrails and transition railing, spalled joints repair, and longitudinal crack repair. According to the contractor, difficulty of constructing the shoulder widening contributed to the increase cost of asphalt concrete. The new transition railing details required additional work and materials not included in the EE. The work to repair spalled joints and longitudinal crack was bid higher than anticipated due to difficulty in material handling. Additionally, the Time-Related Overhead (TRO) item was miscalculated. TRO was subtracted from the unit prices, however, a reduction occurred twice, once by the District Estimator and the other by the Project Engineer. This caused an underestimation of the items costs by 10 percent.

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for \$3,950,000 to allow this roadway rehabilitation project to be awarded.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount. The project includes only the minimum scope of work to accomplish the most needed rehabilitation work. The Department has considered this option and determined that reducing the scope of work on this project and executing another project to complete the deleted work later, would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION

The Department recommends that this request for \$3,950,000, as presented in Option A above, be approved to allow this project to be awarded.